

<i>SERFF Tracking Number:</i>	<i>CMPL-125629515</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Forethought Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>38851</i>
<i>Company Tracking Number:</i>	<i>FRTH 3B DATA PAGE</i>		
<i>TOI:</i>	<i>A02I Individual Annuities- Deferred Non-Variable</i>	<i>Sub-TOI:</i>	<i>A02I.003 Single Premium</i>
<i>Product Name:</i>	<i>FRTH 3B Data Page</i>		
<i>Project Name/Number:</i>	<i>FRTH 3B Data Page /FRTH 3B Data Page</i>		

## Filing at a Glance

Company: Forethought Life Insurance Company

Product Name: FRTH 3B Data Page

SERFF Tr Num: CMPL-125629515 State: ArkansasLH

TOI: A02I Individual Annuities- Deferred Non-Variable

SERFF Status: Closed

State Tr Num: 38851

Sub-TOI: A02I.003 Single Premium

Co Tr Num: FRTH 3B DATA PAGE State Status: Approved-Closed

Filing Type: Form

Co Status:

Reviewer(s): Linda Bird

Author: Nancy French

Disposition Date: 05/05/2008

Date Submitted: 05/02/2008

Disposition Status: Approved

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: FRTH 3B Data Page

Status of Filing in Domicile:

Project Number: FRTH 3B Data Page

Date Approved in Domicile:

Requested Filing Mode: Informational

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 05/05/2008

State Status Changed: 05/05/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Compliance Research Services is pleased to submit this letter on behalf of Forethought Life Insurance Company. A letter of authorization is enclosed.

The contract referenced above was approved by your Department on 02/20/2008 under SERFF filing number FRTH-125462067, State Tr Num: 38080.

SERFF Tracking Number:	CMPL-125629515	State:	Arkansas
Filing Company:	Forethought Life Insurance Company	State Tracking Number:	38851
Company Tracking Number:	FRTH 3B DATA PAGE		
TOI:	A02I Individual Annuities- Deferred Non-Variable	Sub-TOI:	A02I.003 Single Premium
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Page 4 of the actuarial memorandum that was included with the filing includes an explanation of the Annual Spread with Monthly Averaging over the Index Averaging Period. It correctly states that the Index Spread for this strategy will never be more than the Maximum Guaranteed Annual Index Spread of 7% per annum.

It has come to our attention that Contract Data Page 3B that was included in the submission incorrectly references the spread as 5%. A corrected version of page 3B and a copy of the actuarial memorandum are attached for your reference. The purpose of this letter is to request your confirmation that the 7% spread, as explained in the actuarial memorandum, may be issued under this contract form.

The required transmittal forms and documents are included.

If you have any questions, please contact me at the phone number or email address shown below.

Sincerely,

J. David Simon, CLU  
President  
513-984-6050  
dsimon@crssolutionsgroup.com

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - complianceresearchservicesllc)

Nancy French, Product Manager	nfrench@crssolutionsgroup.com
10921 Reed Hartman Highway	(513) 984-6050 [Phone]
Cincinnati, OH 45242	(513) 984-7212[FAX]

### Filing Company Information

Forethought Life Insurance Company	CoCode: 91642	State of Domicile: Indiana
Forethought Life Insurance Company	Group Code:	Company Type:

<i>SERFF Tracking Number:</i>	<i>CMPL-125629515</i>	<i>State:</i>	<i>Arkansas</i>
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Batesville, IN 47006  
(513) 984-6050 ext. [Phone]

Group Name:  
FEIN Number: 06-1016329  
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State ID Number:

<i>SERFF Tracking Number:</i>	<i>CMPL-125629515</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Forethought Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>38851</i>
<i>Company Tracking Number:</i>	<i>FRTH 3B DATA PAGE</i>		
<i>TOI:</i>	<i>A021 Individual Annuities- Deferred Non-Variable</i>	<i>Sub-TOI:</i>	<i>A021.003 Single Premium</i>
<i>Product Name:</i>	<i>FRTH 3B Data Page</i>		
<i>Project Name/Number:</i>	<i>FRTH 3B Data Page /FRTH 3B Data Page</i>		

## Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	primary contract revision
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Forethought Life Insurance Company	\$50.00	05/02/2008	20070048

SERFF Tracking Number:	CMPL-125629515	State:	Arkansas
Filing Company:	Forethought Life Insurance Company	State Tracking Number:	38851
Company Tracking Number:	FRTH 3B DATA PAGE		
TOI:	A021 Individual Annuities- Deferred Non-Variable	Sub-TOI:	A021.003 Single Premium
Product Name:	FRTH 3B Data Page		
Project Name/Number:	FRTH 3B Data Page /FRTH 3B Data Page		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	05/05/2008	05/05/2008

<i>SERFF Tracking Number:</i>	<i>CMPL-125629515</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Product Name:</i>	<i>FRTH 3B Data Page</i>		
<i>Project Name/Number:</i>	<i>FRTH 3B Data Page /FRTH 3B Data Page</i>		

## Disposition

Disposition Date: 05/05/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

<i>SERFF Tracking Number:</i>	<i>CMPL-125629515</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Forethought Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>38851</i>
<i>Company Tracking Number:</i>	<i>FRTH 3B DATA PAGE</i>		
<i>TOI:</i>	<i>A021 Individual Annuities- Deferred Non-Variable</i>	<i>Sub-TOI:</i>	<i>A021.003 Single Premium</i>
<i>Product Name:</i>	<i>FRTH 3B Data Page</i>		
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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Certification/Notice		Yes
<b>Supporting Document</b>	Application		Yes
<b>Supporting Document</b>	Life & Annuity - Acturial Memo		No
<b>Supporting Document</b>	Filing Authorization Letter		Yes
<b>Form</b>	Data Page 3B		No

SERFF Tracking Number: CMPL-125629515 State: Arkansas

Filing Company: Forethought Life Insurance Company State Tracking Number: 38851

Company Tracking Number: FRTH 3B DATA PAGE

TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.003 Single Premium  
Variable

Product Name: FRTH 3B Data Page

Project Name/Number: FRTH 3B Data Page /FRTH 3B Data Page

## Form Schedule

Lead Form Number: FA1001SPGWA10-01-10

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	FA1003BS PGWA10- 02	Data/Declar	Data Page 3B ation Pages	Revised	Replaced Form #: FA1003BSPGWA10- 02 Previous Filing #:	55	FA1001SPG WA10-02 Page 3B 02- 06-2008 no highlight.pdf FA1001SPG WA10-01 Actuarial Memorandum 01-21- 2008.pdf



MINIMUM GUARANTEED CONTRACT VALUE PREMIUM FACTOR:	90%
MINIMUM GUARANTEED CONTRACT VALUE INTEREST RATE:	(3.00%)

**STRATEGY(IES) AND PREMIUM ALLOCATIONS SELECTED:**

**FIXED ACCOUNT STRATEGY:**

ALLOCATED PREMIUM:	(\$50,000.00)
ALLOCATION PERCENTAGE:	(20.00%)
STRATEGY TERM:	(1) Year(s)
GUARANTEED ANNUAL FIXED ACCOUNT INTEREST RATE:	(3.00%)
INTEREST GUARANTEE PERIOD:	(1) Year(s)
MINIMUM GUARANTEED ANNUAL FIXED ACCOUNT INTEREST RATE:	2.00%

**INDEXED ACCOUNT STRATEGY(IES):**

**ANNUAL SPREAD WITH MONTHLY AVERAGING OVER THE INDEX AVERAGING PERIOD**

ALLOCATED PREMIUM:	(\$200,000.00)
ALLOCATION PERCENTAGE:	(80.00%)
STRATEGY TERM:	(1) Year(s)
ANNUAL INDEX SPREAD:	(1.20%)
INDEXING PERIOD:	1 Year
INDEX AVERAGING PERIOD:	(12) Months
MAXIMUM GUARANTEED ANNUAL INDEX SPREAD:	<b>7.00%</b>

**GUARANTEED LIFETIME INCOME BENEFIT:**

GUARANTEED LIFETIME INCOME BENEFIT FACTOR:	(5.00%)
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**GUARANTEED LIFETIME INCOME ACCOUNT:**

GUARANTEED LIFETIME INCOME ACCOUNT PREMIUM FACTOR:	(110.00%)
MINIMUM GUARANTEED LIFETIME INCOME ACCOUNT ACCUMULATION FACTOR:	(5.00%)
GUARANTEED LIFETIME INCOME ACCOUNT INDEX SPREAD:	(0.00%)
GUARANTEED LIFETIME INCOME ACCOUNT INDEX SPREAD INITIAL GUARANTEE PERIOD:	(10) Year(s)
INDEXING PERIOD:	1 Year
INDEX AVERAGING PERIOD:	(12) Months
MAXIMUM GUARANTEED LIFETIME INCOME ACCOUNT INDEX SPREAD:	<b>7.00%</b>

**FORETHOUGHT LIFE INSURANCE COMPANY**  
**Actuarial Memorandum**  
**Individual Single Premium Deferred Annuity**  
**With Fixed Indexed Strategies**

**Form Number:** FA1001SPGWA10-01

**I. Description of Contract**

**General Description**

This Contract is an Individual Single Premium Deferred Annuity that provides annuity income benefits, death benefits, contract withdrawal benefits and a guaranteed lifetime income benefit for systematic withdrawals.

**Annuity Benefits**

If no other election is made, this Contract will provide monthly income payments for a minimum of 120 months and as long thereafter as the Annuitant lives beginning on the Annuity Date. The latest Annuity Date is the Contract Anniversary following the Owner's attainment of age 95. If Joint Owners are named in the application, the Annuity Date is based on the age of the oldest Joint Owner.

**Death Benefits**

The Death Benefit equals the Contract Value.

**Contract Value**

The Contract Value is the sum of the Fixed Account Strategy Value and the Indexed Account Strategy(ies) Value. The Contract Value will never be less than the Minimum Guaranteed Contract Value.

**Minimum Guaranteed Contract Value**

The Minimum Guaranteed Contract Value is equal to the single premium multiplied by the Minimum Guaranteed Contract Value Premium Factor and accumulated at the Minimum Guaranteed Contract Value Interest Rate, less Withdrawals, if any, accumulated at the Minimum Guaranteed Contract Value Interest Rate. The Minimum Guaranteed Contract Value Premium Factor and the Minimum Guaranteed Contract Value Interest Rate are shown on the Contract Data Page and are guaranteed for the life of the contract. They will be set such that the Minimum Guaranteed Contract Value will meet or exceed the minimums established under the Standard Nonforfeiture Law for Deferred Annuities. The amount available for withdrawal is the Contract Value less any applicable Withdrawal Charge and Premium and Other Taxes but, by definition, the Contract Withdrawal Value will never be less than the Minimum Guaranteed Contract Value.

### **Withdrawal Charges**

This product contains a ten (10) year Withdrawal Charge Period. The schedule of Withdrawal Charges (10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%) is listed on the Contract Data Page.

Withdrawal Charges are not assessed against death benefits, Free Withdrawal Amounts, and any amounts applied to an Annuity Option that begins at least five (5) years after the Issue Date and that makes annuity payments for at least five (5) years.

### **Free Withdrawal Amount**

After the first Contract Year and prior to the Annuity Date, the owner may annually withdraw a portion of the Contract Value that is free of Withdrawal Charges. The Free Withdrawal Amount for any Contract Year is equal to 10% of the Contract Value on the prior Contract Anniversary. In the event a Contract's entire Contract Value is withdrawn in a Contract Year a Free Withdrawal Amount is made, the Withdrawal Charge will be retroactively applied to any Free Withdrawal Amounts occurring in that Contract Year. Cumulative withdrawals of Contract Value in a Contract Year that exceed the Free Withdrawal Amount may be assessed a Withdrawal Charge. Withdrawals made pursuant to a Systematic Withdrawal plan may be made more frequently than once per Contract Year and will be treated as a Free Withdrawal Amount, provided that the total annual amount withdrawn does not exceed the 10% limitation described above.

### **Guaranteed Lifetime Income Benefit**

This benefit allows the owner to make systematic withdrawals for annual amounts up to the Guaranteed Lifetime Annual Income beginning on the Guaranteed Lifetime Income Option Date selected by the owner and continuing for the remainder of the owner's life. The Option Date must follow the later of the first contract anniversary or the owner's age 59 ½. The Guaranteed Lifetime Annual Income is equal to the Guaranteed Lifetime Income Benefit Factor multiplied by the Guaranteed Lifetime Income Account Value on the Option Date.

The Guaranteed Lifetime Income Account Value is an accumulation of the premium that grows in a fashion similar to the Contract Value until the Guaranteed Lifetime Income Option Date. At issue it is equal to the premium multiplied by the Guaranteed Lifetime Income Account Value Premium Factor. Values attributable to the Fixed Account Strategy are credited interest at the same rates as are credited to the Fixed Account Strategy Value. Values attributable to the Indexed Account Strategy(ies) accumulate in a manner comparable to the Annual Spread with Monthly Averaging Over the Index Averaging Period Index Strategy in what is called the Guaranteed Lifetime Income Indexed Account Strategy.

The Guaranteed Lifetime Income Indexed Account Strategy credits interest on each Contract Anniversary Date at a rate called the Guaranteed Lifetime Income Account Index Credit. It is determined by deducting the Guaranteed Lifetime Income Account Index Spread from the Annual Index Growth, which is the average monthly percentage change in the S&P 500 Index since the prior Contract Anniversary Date. The Guaranteed Lifetime Income Index Spread at issue is guaranteed through the Guaranteed Lifetime Income Account Index Spread Initial Guarantee Period. Thereafter the spread will be declared in advance and guaranteed for each subsequent contract year. It will never be more than the Maximum Guaranteed Lifetime

Income Account Index Spread of 7% per annum. No Participation Rate or Index Cap will be used and the credited rate will never be less than 0%.

On the Guaranteed Lifetime Income Option Date the Guaranteed Lifetime Income Account Value is guaranteed to be no less than the Guaranteed Lifetime Income Account Premium factor multiplied by the premium less withdrawals and accumulated at the Minimum Guaranteed Lifetime Income Account Accumulation Factor.

After the Guaranteed Lifetime Income Option Date, the Guaranteed Lifetime Annual Income and Guaranteed Lifetime Income Account Value will only change in two possible situations:

- 1) If on a contract anniversary, the Contract Value exceeds the Guaranteed Lifetime Income Account Value:
  - a. the Guaranteed Lifetime Income Account Value will be reset to the Contract Value multiplied by the Guaranteed Lifetime Income Account Premium Factor; and
  - b. the Guaranteed Lifetime Annual Income will be reset to the revised Guaranteed Lifetime Income Account Value multiplied by the Guaranteed Lifetime Income Benefit Factor; or
- 2) On any day that the owner withdraws a cumulative annual amount in excess of the Guaranteed Lifetime Annual Income:
  - a. the Guaranteed Lifetime Income Account Value will be reduced by the same proportion that the excess amount reduced the Contract Value; and
  - b. the Guaranteed Lifetime Annual Income will be reset to the revised Guaranteed Lifetime Income Account Value multiplied by the Guaranteed Lifetime Income Benefit Factor.

### **Substitution of Index**

The Index Credit is calculated using the Standard and Poor's 500 Index (S&P 500 Index). Excluded from the index are any dividends that may be paid by the firms that comprise the index. If the S&P 500 Index is discontinued or if the calculation of the Index is substantially changed, an alternative suitable index will be substituted in its place, as approved by the Insurance Department of the state in which the Contract was issued.

## II. Interest Crediting

This section discusses how interest is credited to the Contract Value.

### Overview

The owner may elect to allocate the premium to any of the crediting Strategies available under the Contract, which consist of the Fixed Account Strategy and the Indexed Account Strategy(ies). The first Strategy Term begins on the Issue Date. Subsequent Strategy Terms begin immediately following the end of each prior Strategy Term. The owner may reallocate Contract Value from one Strategy to another at the end of each Strategy Term.

Available Strategies may be added by rider in the future subject to approval. We reserve the right to discontinue at our discretion Indexed Account Strategy(ies) after the Withdrawal Charge Period. Each Strategy, as described below, has one primary adjustable parameter identified in its title. Following is a description of each Strategy currently available:

### Fixed Account Strategy

The Fixed Account Strategy Value receives interest credits based on a rate declared in advance of each Strategy Term by the company. The rate is at least equal to the Minimum Guaranteed Annual Fixed Account Interest Rate, currently 2%, shown on the Contract Data Page. The rate of interest will not be changed during the Strategy Term. The Strategy Term is one year. The Interest Rate for the Premium allocated to the Fixed Account Strategy on the Issue Date, if any, is also shown on the Contract Data Page as the Guaranteed Annual Fixed Account Interest Rate.

### Indexed Account Strategy

The Annual Spread with Monthly Averaging Over the Index Averaging Period Index Strategy is incorporated into the contract. Additional Indexed Account Strategies may be offered by rider in the future subject to approval.

### Annual Spread with Monthly Averaging Over the Index Averaging Period

This index method credits interest to its Indexed Account Strategy Value on each Contract Anniversary Date at a rate called the Interest Credit. It is determined by deducting the Index Spread from the Annual Index Growth, which is the average monthly percentage change in the S&P 500 Index since the prior Contract Anniversary Date. The Index Spread is declared in advance and is guaranteed for each Strategy Term. The Strategy Term is one year. It will never be more than the Maximum Guaranteed Annual Index Spread for this strategy, which is 7% per annum. No Participation Rate or Index Cap will be used with this Strategy. The Interest Credit will never be less than 0%.

### **III. Compliance with NAIC Standard Nonforfeiture Law for Individual Deferred Annuities (SNLIDA)**

#### **Section 3, Nonforfeiture Requirements**

There are four requirements under this section:

- Upon cessation of payment of considerations or upon request, the company shall grant a paid-up annuity benefit, which must comply with sections 5, 6, 7, 8 and 10 of the SNLIDA. Section 5 is the most applicable in this case and states that the present value of the paid-up annuity benefit on the date annuity payments are to commence is at least equal to the minimum nonforfeiture amount on that date.

#### Compliance

This contract is a single premium contract. The contract provides for a paid up annuity benefit of a minimum of 120 months and as long thereafter as the Annuitant lives (or other Annuity Income Option if elected) beginning on the Annuity Date. The payout is determined by applying the Contract Withdrawal Value on the Annuity Date to the factor associated with the Annuity Income Option elected. The Contract complies with this requirement since the present value of this benefit is always equal to or greater than the Minimum Nonforfeiture Amount.

- If a contract provides for a lump-sum settlement at maturity or any other time, upon surrender of the contract the company shall pay in lieu of a paid-up annuity benefit a cash surrender benefit that complies with sections 5, 6, 8 and 10 of the SNLIDA. Also, the company may reserve the right to defer payment of cash surrender benefits for a period not to exceed 6 months with the approval of the commissioner.

#### Compliance

The Contract Withdrawal Value may be paid in a lump sum and is always at least equal to the Minimum Nonforfeiture Amount. The contract does not allow deferral of payment of the Contract Withdrawal Value for a period longer than 6 months.

Section 5 is the same as stated in the prior bullet point above.

#### Compliance

As noted above, the paid-up annuity benefit offered by this contract is in compliance with section 5.

Section 6 states that the cash surrender benefits available prior to maturity shall not be less than the present value as of the date of surrender of that portion of the maturity value of the paid-up annuity benefit that would be provided under the contract at maturity arising from considerations paid prior to the time of cash surrender, reduced by the amount appropriate to reflect any prior partial surrenders of the contract, such present value being calculated on the basis of an interest rate

not more than 1% higher than the interest rate specified in the contract for accumulating net considerations. Also, in no event may the cash surrender benefit be less than the minimum nonforfeiture amount at that time. The death benefits must also be at least equal to the cash surrender benefit.

#### Compliance

Demonstration of compliance with the first part of section 6 noted above is shown in Appendix A using 10 years until maturity. Ten years is deemed to be the shortest period until maturity in Section 8. The contract also complies for all longer periods until maturity. Also, the Contract Withdrawal Value will never be less than the Minimum Nonforfeiture Amount and the death benefit will never be less than the Minimum Nonforfeiture Amount.

Section 8 refers to contracts where an election can be made to have annuity payments commence at optional maturity dates. It states that the maturity date shall be deemed to be that latest date for which election shall be permitted by the contract, but may not be later than the anniversary of the contract next following the annuitant's 70<sup>th</sup> birthday or the tenth anniversary of the contract, whichever is later.

#### Compliance

Prior to the Annuity Date of the contract, the Annuity Date may be changed with 30 days prior Notice. It may not be later than the Contract Anniversary following the Owner's or the oldest Joint Owner's 95<sup>th</sup> birthday. See Appendix A for demonstration of compliance.

- The SNLIDA requires a statement of the mortality table and interest rates used in calculating any minimum paid-up annuity cash surrender or death benefits that are guaranteed.

#### Compliance

The guaranteed interest rates used to determine the Minimum Guaranteed Contract Values are specified on the Contract Data Page. No mortality table is used prior to the Annuity Date. The annuity income purchase rate guarantees provided in the contract are stated in the Annuity Provisions section of the contract.

- The SNLIDA requires a statement that any paid-up annuity, cash surrender or death benefits that may be available under the contract are not less than the minimum benefits required by any statute of the state in which the contract is delivered and an explanation of the manner in which such benefits are altered by the existence of any additional amounts credited by the company to the contract, any indebtedness to the company on the contract or any partial surrenders of the contract.

#### Compliance

The required statement is found in the Reserves, Values and Benefits section of the Contract.

## **Section 4, Minimum Values**

According to the SNLIDA, the minimum values specified in sections 5, 6, 7, 8 and 10 of any paid-up annuity, cash surrender or death benefits shall be based on the amount defined in this section.

### **Subsection A**

The minimum nonforfeiture amounts, at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to such time at a rate of interest defined in Subsection B of the net consideration paid prior to such time, decreased by the sum of prior withdrawals accumulated at that same rate, an annual contract charge of \$50 accumulated at that same rate, any premium tax accumulated at that same rate and the amount of any indebtedness to the company on the contract.

The net consideration for the first contract year equals 87.5% of the single premium. The net consideration for future contract years is zero.

#### Compliance

Compliance with Section 4 of the SNLIDA is demonstrated in Appendix A.

The following assumptions have been made:

- No annual contract charges are included in the SNLIDA cash value
- Single premium equals \$10,000
- Premium-related taxes, fees or assessments imposed against the contract are ignored
- Compliance is demonstrated at both the minimum nonforfeiture rate of 1% and the maximum nonforfeiture rate of 3%

### **Subsection B**

The interest rate used in determining the minimum nonforfeiture amounts shall be the lesser of 3% per annum and the following:

- The 5-year Constant Maturity Treasury Rate reported by the Federal Reserve as of a date, or average over a period, rounded to the nearest 1/20<sup>th</sup> of one percent (5 basis points) specified in the contract no longer than 15 months prior to the contract issue date or redetermination date,
- Reduced by 125 basis points,
- Reduced by an additional 100 basis points as discussed in Subsection C,
- Where the resulting interest rate is not less than 1%, and
- The interest rate shall apply for an initial period and may be redetermined for additional periods.

#### Compliance

The interest rate used in determining the minimum nonforfeiture amounts for this contract, the Minimum Guaranteed Contract Value Interest Rate, will be reset for newly issued policies quarterly and be based on the 5-year Constant



Maturity Treasury rate. Once a policy is issued, the Minimum Guaranteed Contract Value Interest Rate is guaranteed for the life of the policy.

At the beginning of each calendar quarter, the daily average of the 5-year Constant Maturity Treasury from the prior quarter will be determined. This daily average will be rounded to the nearest 5 basis points. This result will then be reduced by 125 basis points. The rate is then subject to a minimum of 1.00% and a maximum of 3.00%.

If the resulting rate differs from that used in the prior quarter by at least 25 basis points, the Minimum Guaranteed Contract Value Interest Rate for issues in the quarter will be reset; otherwise the Minimum Guaranteed Contract Value Interest Rate will remain the same as was used in the prior quarter. However the rate for the first quarter of the calendar year will always be reset and will not be subject to the 25 basis point threshold.

Compliance with Subsection C is addressed below.

### **Subsection C**

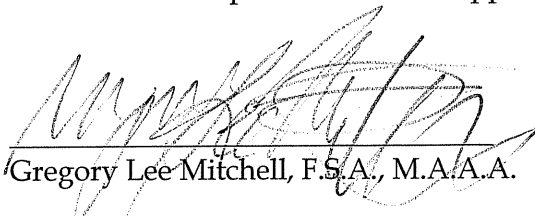
During the period or term that a contract provides substantive participation in any equity indexed benefit, it may change the 125 basis point reduction to 225 basis points to reflect the value of an equity index benefit.

#### Compliance

The interest rate used in determining the minimum nonforfeiture amounts for this contract is addressed in Compliance to Subsection B. There will be no reduction to the interest rate to reflect the value of an equity index benefit.

#### Actuarial Certification

I, Gregory Lee Mitchell, am responsible for evaluating compliance with the Standard Nonforfeiture Law for Individual Deferred Annuities and the Annuity Nonforfeiture Model Regulation on behalf of Forethought Life Insurance Company. I have reviewed this contract form and am familiar with the Nonforfeiture Laws and Regulations as they pertain to equity-indexed annuities. I have also reviewed the methodology that will be used in calculating and setting assumptions for the additional reduction in nonforfeiture rate for equity-indexed annuities. Based on my review, I certify that the methodology used for this contract form meets the minimum requirements of the applicable Nonforfeiture Laws and Regulations.

  
Gregory Lee Mitchell, F.S.A., M.A.A.A.

1/21/08  
Date

## **IV. Reserves**

Statutory reserves will be calculated in compliance with the Standard Valuation Law and are equal to those calculated under the Commissioners Annuity Reserve Valuation Method (CARVM) with guidance from Actuarial Guideline 33. Reserving is intended to be done under the CARVM-UMV Method, as specified in Actuarial Guideline 35.

The valuation will be performed using the "issue year" basis, "with cash settlement options," "with guarantees no longer than five years," and "without future interest rate guarantees." The valuation rates for the elective benefits of partial and full surrender and annuitization will be based on Plan Type C. To illustrate, a policy issued in calendar year 2007 would have a valuation rate of 4.50%. The valuation rates for the non-elective benefits such as death, terminal illness, and/or nursing home confinement, if applicable, will be based on Plan Type A. To illustrate, a policy issued in 2007 would have a valuation rate of 5.25%.

The valuation mortality basis used will be the Annuity 2000 Mortality Table.

## V. Hedging Strategy and Potential Risks

### General Information

Policyholder premiums will generally be invested in two types of assets. The majority of the premium will be used to purchase typical fixed income securities (bonds, mortgages, etc.). A smaller portion of the premium will be used to purchase over the counter (OTC) options to back the index based crediting strategy. The goal of the hedge strategy will be to reduce the product's equity exposure by purchasing an OTC option that nearly replicates the interest crediting.

To the extent necessary and/or prudent, alternative financial instruments like futures contracts, exchange traded options, exchange traded funds, and interest rate based instruments will be used to supplement OTC option purchases. An example of this might be the use of a futures contract to "bridge" a period of lower sales until a sufficient volume is reached to make an effective OTC trade. Another example might be a period of perceived over-charging by the OTC market.

The equity based exposure created by the indexed crediting methods will be monitored weekly relative to the OTC option portfolio. Mismatches due to lapses, withdrawals, annuitizations, and deaths will be rectified by unwinding options or reducing future option purchases. The monitoring methodology will include stress tests to confirm the effectiveness of the hedge portfolio relative to the liability.

### Financial Reporting of Options

Options purchased will be carried at market value in the annual statement general account. No separate account will be established for this product because the options purchased are hedging the equity exposure of a contract which does not require a separate account.

### Derivatives Trading Oversight

The Investment Committee will have primary responsibility for authorizing certain individuals to make derivatives trades for purposes of hedging this contract. Authorized individuals will have sufficient skill, knowledge, and experience in the field of derivatives trading and portfolio management. Authorized individuals will be the only ones allowed to initiate and approve derivative transactions.

### Counterparties

Option purchases in the OTC market carry a certain amount of counterparty risk. This risk will be managed in three ways. First, counterparties will have to go through an approval process which will assess the creditworthiness of each potential counterparty. Second, the approved counterparty list will be monitored to ensure continued evidence of financial health. Third, the option purchases will be prudently spread among counterparties to ensure that exposure to any one counterparty is not excessive. In certain situations, the lowest bid on the OTC option may not be chosen if the exposure to that counterparty is perceived as too high or approaching a threshold.

### Hedging Risks

Hedging is a process that faces a number of potential risks. Each of these risks will be managed as follows:

1. Liquidity Risk – Liquidity risk is characterized by the inability to generate cash as needed. To control this risk, high quality, liquid bonds will make up the majority of the asset portfolio. The hedging portfolio will consist of OTC options and exchange traded futures and options. The exchange traded instruments are highly liquid. The OTC options can easily be sold back to the dealer, sold to a third party, or can be “partially sold” through a reduction in notional.
2. Credit Risk – Risks associated with the credit worthiness of the counterparties will be managed as discussed in the Counterparties section.
3. Market Risk – Stochastic modeling of the entire product will be used to assess the market risk and to determine the optimal asset portfolio.
4. Pricing Risk – Pricing risk can involve a number of potential errors in setting assumptions. Experience studies and product monitoring will be used to adjust pricing assumptions and to set liability values.
5. Legal Risk – Properly executed ISDA agreements are the primary tool for controlling legal risk associated with OTC option sellers.
6. Operational Risk – Checks and Crosschecks will be utilized to ensure that operational risks are kept to a minimum. Administration system downloads will be used to validate liability information. Asset purchases and portfolio inventory will be monitored using account system downloads and the basis risk tool.
7. Basis Risk – Basis risk encompasses the mismatch between the hedging portfolio and the index crediting strategies. Mismatch can occur due to lapses, mortality, annuitizations, and partial withdrawals. Basis risk will be monitored frequently and will be stress tested with deterministic scenarios.

### Hedging Personnel

The following individuals will have primary responsibility for managing and monitoring the hedge strategy and other asset/liability issues.

Eric D. Todd, CFA

Chief Investment Officer and Risk Officer, Forethought Financial Group, Inc.

Dan Patterson, FSA, MAAA

Chief Actuary, Forethought Financial Group, Inc.

## VI. Risk-Based Capital

### C1 Reporting (Asset default risk)

The level of C1 RBC will be determined by multiplying the appropriate RBC factor by the value of the specific asset. The bond portfolio will use asset classes 1-6. The option portfolio will use the Miscellaneous Asset, Class 1 factor.

### C3 Reporting (Disintermediation risk)

The level of C3 RBC will be calculated by multiplying the statutory reserve by the appropriate C3 factor. The medium risk factor (currently 1.0%) will be used for the first six contract years while the withdrawal charges are 5.0% or higher and the high risk factor (currently 2.0%) will be used thereafter.

### C4 Reporting (Miscellaneous risk)

The level of C4 RBC will be calculated using the appropriate factor (currently 2%) multiplied by the first year premium.

Values shown above may change as RBC requirements change. The final RBC calculation is done at the aggregate company level and involves covariance offsets between blocks of inforce.

  
\_\_\_\_\_  
Gregory Lee Mitchell, F.S.A., M.A.A.A.

1/21/08  
\_\_\_\_\_  
Date

<i>SERFF Tracking Number:</i>	<i>CMPL-125629515</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Forethought Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>38851</i>
<i>Company Tracking Number:</i>	<i>FRTH 3B DATA PAGE</i>		
<i>TOI:</i>	<i>A02I Individual Annuities- Deferred Non-Variable</i>	<i>Sub-TOI:</i>	<i>A02I.003 Single Premium</i>
<i>Product Name:</i>	<i>FRTH 3B Data Page</i>		
<i>Project Name/Number:</i>	<i>FRTH 3B Data Page /FRTH 3B Data Page</i>		

## Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: CMPL-125629515 State: Arkansas  
Filing Company: Forethought Life Insurance Company State Tracking Number: 38851  
Company Tracking Number: FRTH 3B DATA PAGE  
TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.003 Single Premium  
Variable  
Product Name: FRTH 3B Data Page  
Project Name/Number: FRTH 3B Data Page /FRTH 3B Data Page

## Supporting Document Schedules

### Review Status:

**Satisfied -Name:** Certification/Notice 04/30/2008  
**Comments:**  
Copy of previously submitted form included for your reference.  
**Attachment:**  
AR\_External\_Index\_Guidelines\_Actuary\_Cert.pdf

### Review Status:

**Satisfied -Name:** Application 04/30/2008  
**Comments:**  
Copy of previously submitted form included for your reference.  
**Attachment:**  
FA3001-01\_SPDA\_GWA\_Application.pdf

### Review Status:

**Satisfied -Name:** Life & Annuity - Actuarial Memo 04/30/2008  
**Comments:**  
Copy of previously submitted form included for your reference.  
**Attachment:**  
FA1001SPGWA10-01\_Actuarial\_Memorandum\_01-21-2008.pdf

### Review Status:

**Satisfied -Name:** Filing Authorization Letter 04/30/2008  
**Comments:**  
**Attachment:**  
Filing Authorization.pdf

**Arkansas Certification**  
**Contract Form: FA1001SPGWA10-01-10, et. al.**

I certify the following:

**Contract Summary Disclosure**

A contract summary disclosure is provided at the time of application for this contract. The applicants are required to sign and date the form. A copy is left with the applicant. This form is in no way deceptive, confusing or misleading and has been reviewed and complies with the Arkansas Insurance Department requirements as of this date.

**Agent Education**

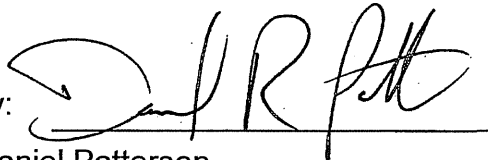
All agents soliciting this product are suitably licensed and trained. This contract will not be solicited by any person who is not trained and qualified.

**Reserves**

The company will address this contract separately in the annual (Section 8) actuarial opinion and memorandum addressing each year the amount and type of assets held and the level or reserves and how developed.

The company will establish and maintain a detailed file defining the system for hedging.

Signature of qualified actuary:



Name (typed or printed): Daniel Patterson

Title or business affiliation: F.S.A., M.A.A.A.

Date: 09/26/2007



**(Please Print)**

#### 1. OWNER

First Name		Middle Initial	Last Name	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Date of Birth (mm/dd/yyyy)		Age	Social Security Number - -
Mailing Address			Residential Address (if different than Mailing Address)	
City			State	Zip Code Country of Citizenship
Phone Number (home)	Phone Number (work)		E-mail Address	

☐ **JOINT OWNER** (Non-Qualified Only – Generally, it is advisable that the Joint Owner be the Spouse of the Owner.)

First Name		Middle Initial	Last Name	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Relationship to Owner	Date of Birth (mm/dd/yyyy)	Age	Social Security Number - -
Mailing Address			Residential Address (if different than Mailing Address)	
City			State	Zip Code Country of Citizenship
Phone Number (home)	Phone Number (work)		E-mail Address	

☐ **TRUST** ☐ **CORPORATION** ☐ **PARTNERSHIP**

Full Name				
Phone Number			Tax or Employer ID Number	
Mailing Address			Street Address (if different than Mailing Address)	
City			State	Zip Code Country of Citizenship
If Trust is Named, Provide Trustee's Full Name				Date Trust Established

#### 2. ANNUITANT (Complete only if the Owner and Annuitant are different.)

First Name		Middle Initial	Last Name	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Relationship to Owner	Date of Birth (mm/dd/yyyy)	Age	Social Security Number - -
Mailing Address			Residential Address (if different than Mailing Address)	
City			State	Zip Code Country of Citizenship
Phone Number (home)	Phone Number (work)		E-mail Address	

☐ **JOINT ANNUITANT**

First Name		Middle Initial	Last Name	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Relationship to Owner	Date of Birth (mm/dd/yyyy)	Age	Social Security Number - -
Mailing Address			Residential Address (if different than Mailing Address)	
City			State	Zip Code Country of Citizenship
Phone Number (home)	Phone Number (work)		E-mail Address	

**3. BENEFICIARY INFORMATION** *(Beneficiary proceeds will be split equally if no percentages are provided. Primary and Contingent Beneficiary percentage designation(s) must be in whole percentages only and each total 100%. Unless specified otherwise in the Special Instructions and Remarks section of this application, upon death of an Owner, the surviving Joint Owner, if any, becomes the Primary Beneficiary and the Primary Beneficiary, listed below, becomes the Contingent Beneficiary.)*

☒ **Primary**

First Name		Middle Initial	Last Name	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Relationship to Owner		Social Security Number - -	
Mailing Address		Residential Address (if different than Mailing Address)		
City		State	Zip Code	Country of Citizenship
E-mail Address				Percentage

☐ **Primary** ☐ **Contingent**

First Name		Middle Initial	Last Name	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Relationship to Owner		Social Security Number - -	
Mailing Address		Residential Address (if different than Mailing Address)		
City		State	Zip Code	Country of Citizenship
E-mail Address				Percentage

☐ **Primary** ☐ **Contingent**

First Name		Middle Initial	Last Name	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Relationship to Owner		Social Security Number - -	
Mailing Address		Residential Address (if different than Mailing Address)		
City		State	Zip Code	Country of Citizenship
E-mail Address				Percentage

☐ **Primary** ☐ **Contingent**

First Name		Middle Initial	Last Name	
<input type="checkbox"/> Male <input type="checkbox"/> Female	Relationship to Owner		Social Security Number - -	
Mailing Address		Residential Address (if different than Mailing Address)		
City		State	Zip Code	Country of Citizenship
E-mail Address				Percentage

**Please use section 4 if you require additional Beneficiary space.**

**4. SPECIAL INSTRUCTIONS AND REMARKS**

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**5. ANNUITY TYPE** *(Select One)*

<b>Type of Annuity Requested:</b> <input type="checkbox"/> Non-Qualified <input type="checkbox"/> Tax Qualified Plans:	<input type="checkbox"/> IRA <input type="checkbox"/> Roth IRA
If applicable, has the Required Minimum Distribution for the current tax year been met? <input type="checkbox"/> Yes <input type="checkbox"/> No	

**6. PREMIUM PAYMENT**

<input type="checkbox"/> Single Premium Amount Remitted with Application:	\$ _____
<input type="checkbox"/> Estimated Single Premium Amount of 1035 Exchange/Transfer:	\$ _____
Source of Premium Payment: <input type="checkbox"/> Check <input type="checkbox"/> Wire <input type="checkbox"/> 1035 Exchange/Transfer	
(Payable to: Forethought Life Insurance Company)	

**7. DESTINATION INCOME<sup>SM</sup> PRODUCT AND STRATEGY(IES) ALLOCATIONS**☒ Destination Income<sup>SM</sup>**PREMIUM ALLOCATION DIRECTION** *(Minimum of \$10,000 per Allocation.)***FIXED and INDEXED ACCOUNT STRATEGIES:****Whole  
Percentages  
Only**

<input type="checkbox"/> Fixed Account Strategy	_____	%
<input type="checkbox"/> Annual Spread with Monthly Averaging Over the Index Averaging Period Strategy	_____	%
<b>Total Must =</b>	<b>100</b>	<b>%</b>

## 8. STATE REQUIRED NOTICES

### AR, DC, HI, KY, LA, MA, ME, ND, NM, OH, OK, PA, SD, TN, TX and WA Residents

Any person who knowingly and with intent to injure, defraud or deceive any insurance company, submits an application for insurance containing any materially false, incomplete, or misleading information, or conceals for the purpose of misleading, any material fact, is guilty of insurance fraud, which is a crime and in certain states, a felony. Penalties may include imprisonment, fine, denial of benefits, or civil damages.

### AZ Residents

On receiving your written request, we will provide you with information regarding the benefits and provisions of the annuity contract for which you have applied. If you are not satisfied, you may cancel your contract by returning it within 20 days after the date you receive it. Any premium paid for the returned contract will be refunded without interest.

### CA Residents – Reg. 789.8

The sale or liquidation of any asset in order to buy insurance, either life insurance or an annuity contract, may have tax consequences. Terminating any life insurance policy or annuity contract may have early withdrawal penalties or other costs or penalties, as well as tax consequences. You may wish to consult independent legal or financial advice before the sale or liquidation of any asset and before the purchase of any life insurance or annuity contract.

### CO Residents

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of any insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Department of Regulatory Agencies.

### FL Residents

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

### NJ Residents

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

### VA Residents

Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated the state law.

## 9. OWNER/JOINT OWNER IDENTITY VERIFICATION

Under Federal law, we are required to verify the identity of all new annuity contract Owner(s). Owner information and verification of the identity of all new Owners must be provided. Failure to complete this section will delay or prevent the issuance of the annuity contract. We will ask to see your driver's license, passport, or other government-issued photo identification that will allow us to verify your identity.

Owner		Joint Owner (If any)	
Check One Form of ID:		Check One Form of ID:	
Individual Owner	Non-Individual Owner	Individual Owner	Non-Individual Owner
<input type="checkbox"/> Driver's License	<input type="checkbox"/> Certified Articles of Incorporation	<input type="checkbox"/> Driver's License	<input type="checkbox"/> Certified Articles of Incorporation
<input type="checkbox"/> Passport	<input type="checkbox"/> Partnership Agreement	<input type="checkbox"/> Passport	<input type="checkbox"/> Partnership Agreement
<input type="checkbox"/> Other _____	<input type="checkbox"/> Trust Document	<input type="checkbox"/> Other _____	<input type="checkbox"/> Trust Document
_____	_____	_____	_____
ID Number	State/Country of Issuance	ID Number	State/Country of Issuance
_____	_____	_____	_____
ID Expiration Date		ID Expiration Date	

For an annuity contract owned by a corporation, association, partnership or trust, customer identification may require that articles of incorporation, partnership agreement or trust document be provided to us. Such documentation will be retained solely for the purposes of customer identification and we accept no responsibility for the enforcement or administration of any of the terms thereof.

## 10. OWNER DECLARATIONS AND SIGNATURES

The Owner(s) understands and agrees that:

1. The above statements and answers are true, complete, and correct to the best of his or her knowledge and belief.
2. The statements made shall form the exclusive basis of any annuity contract issued hereon.
3. Checks must be made payable to Forethought Life Insurance Company, not to the agent. The canceled check and Delivery Receipt are your receipt.
4. Only a Forethought Life Insurance Company officer can make, modify, discharge, or waive any of the Company's rights.
5. Purchasing an annuity contract for use in a tax qualified retirement plan (e.g., an IRA) will not result in any necessary or additional tax deferral period.

Do you have any existing life insurance policies or annuity contracts?

☐ Yes ☐ No

Is this annuity intended to replace or change any existing annuity or life insurance contract?

☐ Yes ☐ No

(Note: If "Yes", complete the appropriate Replacement form for your state and return with application.)

In the event of replacement, I(we) understand that the agent must leave the original or a copy of all written or printed communications used for the presentation with me(us).

\_\_\_\_\_  
Initials

I(We) understand that I(we) am(are) applying for a Single Premium Deferred Annuity with fixed and indexed strategies. I(We) also understand that although the Contract Values may be calculated by an external index, the contract does not directly participate in any stock or equity investments. No interest will be credited to the Indexed Account Strategy Value until the end of the Indexing Period.

\_\_\_\_\_  
Initials

I(We) understand and acknowledge that Forethought Life Insurance Company does not offer legal, financial, tax, investment or estate-planning advice and I(we) have had the opportunity to seek such advice from the proper sources before purchasing this contract. I(We) have determined that the purchase of this Single Premium Deferred Annuity with fixed and indexed strategies is suitable given my(our) particular legal, financial, tax, investment, estate-planning or other goals or circumstances.

\_\_\_\_\_  
Initials

I(We) have received a copy of the Disclosure Statement and understand that any results shown other than the minimum guaranteed contract values are not guarantees, promises, or warranties.

\_\_\_\_\_  
Initials

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed At (City,State)

\_\_\_\_\_  
Joint Owner Signature (if applicable)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed At (City,State)

\_\_\_\_\_  
Annuitant Signature (if other than Owner)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed At (City,State)

## 11. AGENT DECLARATIONS AND SIGNATURES

Primary Agent Name (Print)			
Address		State	Zip Code
Phone Number (home)		E-mail Address	
Business or Institution Name		Business or Institution Phone Number	
Social Security Number	License Number	Agent Number	

I declare that: (a) the application was signed and dated by the Owner(s) and by the Annuitant(s), if not the Owner(s), after all answers and information were recorded herein; and (b) I have truly and accurately recorded on this form all of the information provided by the Owner(s) and the Annuitant(s), if not the Owner(s).

☐ **Yes** To the best of my knowledge, the annuity contract applied for is intended to replace or change existing life insurance policies or annuity contracts. If replacement or change is involved, I have attached the appropriate Replacement form for the Owner(s) and will return with the application.

☐ **No**

I certify that the appropriate Disclosure Statement and a *Buyer's Guide to Fixed Deferred Annuities with Appendix for Equity-Indexed Annuities* have been provided to the Applicant(s). I have not made any statements that differ from this material nor have I made any promises about the expected future equity values of this annuity contract.

\_\_\_\_\_  
Initials

I certify that in states with suitability requirements that apply to this annuity: (a) the requirements have been met; (b) I have completed the suitability section of the appropriate disclosure statement with the applicant(s); (c) a copy of that form has been left with the applicant(s); and (d) a copy of the form is enclosed with this application.

\_\_\_\_\_  
Initials

I certify that I personally met with the Owner(s), reviewed the government issued identification described in section 10, OWNER/JOINT OWNER IDENTITY VERIFICATION, and verified to the best of my knowledge and belief, that the information accurately reflects the identity of the Owner(s).

\_\_\_\_\_  
Initials

\_\_\_\_\_  
Primary Agent Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed At (City,State)

### FORETHOUGHT LIFE INSURANCE COMPANY HOME OFFICE USE ONLY

**Forethought Destination Indexed Annuities<sup>SM</sup>**  
**Destination Income<sup>SM</sup>**

Single Premium Deferred Annuity Application

Forethought Life Insurance Company  
One Forethought Center  
P.O. Box 246  
Batesville, IN 47006-0246

**FORETHOUGHT LIFE INSURANCE COMPANY**  
**Actuarial Memorandum**  
**Individual Single Premium Deferred Annuity**  
**With Fixed Indexed Strategies**

**Form Number:** FA1001SPGWA10-01

**I. Description of Contract**

**General Description**

This Contract is an Individual Single Premium Deferred Annuity that provides annuity income benefits, death benefits, contract withdrawal benefits and a guaranteed lifetime income benefit for systematic withdrawals.

**Annuity Benefits**

If no other election is made, this Contract will provide monthly income payments for a minimum of 120 months and as long thereafter as the Annuitant lives beginning on the Annuity Date. The latest Annuity Date is the Contract Anniversary following the Owner's attainment of age 95. If Joint Owners are named in the application, the Annuity Date is based on the age of the oldest Joint Owner.

**Death Benefits**

The Death Benefit equals the Contract Value.

**Contract Value**

The Contract Value is the sum of the Fixed Account Strategy Value and the Indexed Account Strategy(ies) Value. The Contract Value will never be less than the Minimum Guaranteed Contract Value.

**Minimum Guaranteed Contract Value**

The Minimum Guaranteed Contract Value is equal to the single premium multiplied by the Minimum Guaranteed Contract Value Premium Factor and accumulated at the Minimum Guaranteed Contract Value Interest Rate, less Withdrawals, if any, accumulated at the Minimum Guaranteed Contract Value Interest Rate. The Minimum Guaranteed Contract Value Premium Factor and the Minimum Guaranteed Contract Value Interest Rate are shown on the Contract Data Page and are guaranteed for the life of the contract. They will be set such that the Minimum Guaranteed Contract Value will meet or exceed the minimums established under the Standard Nonforfeiture Law for Deferred Annuities. The amount available for withdrawal is the Contract Value less any applicable Withdrawal Charge and Premium and Other Taxes but, by definition, the Contract Withdrawal Value will never be less than the Minimum Guaranteed Contract Value.

### **Withdrawal Charges**

This product contains a ten (10) year Withdrawal Charge Period. The schedule of Withdrawal Charges (10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%) is listed on the Contract Data Page.

Withdrawal Charges are not assessed against death benefits, Free Withdrawal Amounts, and any amounts applied to an Annuity Option that begins at least five (5) years after the Issue Date and that makes annuity payments for at least five (5) years.

### **Free Withdrawal Amount**

After the first Contract Year and prior to the Annuity Date, the owner may annually withdraw a portion of the Contract Value that is free of Withdrawal Charges. The Free Withdrawal Amount for any Contract Year is equal to 10% of the Contract Value on the prior Contract Anniversary. In the event a Contract's entire Contract Value is withdrawn in a Contract Year a Free Withdrawal Amount is made, the Withdrawal Charge will be retroactively applied to any Free Withdrawal Amounts occurring in that Contract Year. Cumulative withdrawals of Contract Value in a Contract Year that exceed the Free Withdrawal Amount may be assessed a Withdrawal Charge. Withdrawals made pursuant to a Systematic Withdrawal plan may be made more frequently than once per Contract Year and will be treated as a Free Withdrawal Amount, provided that the total annual amount withdrawn does not exceed the 10% limitation described above.

### **Guaranteed Lifetime Income Benefit**

This benefit allows the owner to make systematic withdrawals for annual amounts up to the Guaranteed Lifetime Annual Income beginning on the Guaranteed Lifetime Income Option Date selected by the owner and continuing for the remainder of the owner's life. The Option Date must follow the later of the first contract anniversary or the owner's age 59 ½. The Guaranteed Lifetime Annual Income is equal to the Guaranteed Lifetime Income Benefit Factor multiplied by the Guaranteed Lifetime Income Account Value on the Option Date.

The Guaranteed Lifetime Income Account Value is an accumulation of the premium that grows in a fashion similar to the Contract Value until the Guaranteed Lifetime Income Option Date. At issue it is equal to the premium multiplied by the Guaranteed Lifetime Income Account Value Premium Factor. Values attributable to the Fixed Account Strategy are credited interest at the same rates as are credited to the Fixed Account Strategy Value. Values attributable to the Indexed Account Strategy(ies) accumulate in a manner comparable to the Annual Spread with Monthly Averaging Over the Index Averaging Period Index Strategy in what is called the Guaranteed Lifetime Income Indexed Account Strategy.

The Guaranteed Lifetime Income Indexed Account Strategy credits interest on each Contract Anniversary Date at a rate called the Guaranteed Lifetime Income Account Index Credit. It is determined by deducting the Guaranteed Lifetime Income Account Index Spread from the Annual Index Growth, which is the average monthly percentage change in the S&P 500 Index since the prior Contract Anniversary Date. The Guaranteed Lifetime Income Index Spread at issue is guaranteed through the Guaranteed Lifetime Income Account Index Spread Initial Guarantee Period. Thereafter the spread will be declared in advance and guaranteed for each subsequent contract year. It will never be more than the Maximum Guaranteed Lifetime



Income Account Index Spread of 7% per annum. No Participation Rate or Index Cap will be used and the credited rate will never be less than 0%.

On the Guaranteed Lifetime Income Option Date the Guaranteed Lifetime Income Account Value is guaranteed to be no less than the Guaranteed Lifetime Income Account Premium factor multiplied by the premium less withdrawals and accumulated at the Minimum Guaranteed Lifetime Income Account Accumulation Factor.

After the Guaranteed Lifetime Income Option Date, the Guaranteed Lifetime Annual Income and Guaranteed Lifetime Income Account Value will only change in two possible situations:

- 1) If on a contract anniversary, the Contract Value exceeds the Guaranteed Lifetime Income Account Value:
  - a. the Guaranteed Lifetime Income Account Value will be reset to the Contract Value multiplied by the Guaranteed Lifetime Income Account Premium Factor; and
  - b. the Guaranteed Lifetime Annual Income will be reset to the revised Guaranteed Lifetime Income Account Value multiplied by the Guaranteed Lifetime Income Benefit Factor; or
- 2) On any day that the owner withdraws a cumulative annual amount in excess of the Guaranteed Lifetime Annual Income:
  - a. the Guaranteed Lifetime Income Account Value will be reduced by the same proportion that the excess amount reduced the Contract Value; and
  - b. the Guaranteed Lifetime Annual Income will be reset to the revised Guaranteed Lifetime Income Account Value multiplied by the Guaranteed Lifetime Income Benefit Factor.

### **Substitution of Index**

The Index Credit is calculated using the Standard and Poor's 500 Index (S&P 500 Index). Excluded from the index are any dividends that may be paid by the firms that comprise the index. If the S&P 500 Index is discontinued or if the calculation of the Index is substantially changed, an alternative suitable index will be substituted in its place, as approved by the Insurance Department of the state in which the Contract was issued.

## II. Interest Crediting

This section discusses how interest is credited to the Contract Value.

### Overview

The owner may elect to allocate the premium to any of the crediting Strategies available under the Contract, which consist of the Fixed Account Strategy and the Indexed Account Strategy(ies). The first Strategy Term begins on the Issue Date. Subsequent Strategy Terms begin immediately following the end of each prior Strategy Term. The owner may reallocate Contract Value from one Strategy to another at the end of each Strategy Term.

Available Strategies may be added by rider in the future subject to approval. We reserve the right to discontinue at our discretion Indexed Account Strategy(ies) after the Withdrawal Charge Period. Each Strategy, as described below, has one primary adjustable parameter identified in its title. Following is a description of each Strategy currently available:

### Fixed Account Strategy

The Fixed Account Strategy Value receives interest credits based on a rate declared in advance of each Strategy Term by the company. The rate is at least equal to the Minimum Guaranteed Annual Fixed Account Interest Rate, currently 2%, shown on the Contract Data Page. The rate of interest will not be changed during the Strategy Term. The Strategy Term is one year. The Interest Rate for the Premium allocated to the Fixed Account Strategy on the Issue Date, if any, is also shown on the Contract Data Page as the Guaranteed Annual Fixed Account Interest Rate.

### Indexed Account Strategy

The Annual Spread with Monthly Averaging Over the Index Averaging Period Index Strategy is incorporated into the contract. Additional Indexed Account Strategies may be offered by rider in the future subject to approval.

#### Annual Spread with Monthly Averaging Over the Index Averaging Period

This index method credits interest to its Indexed Account Strategy Value on each Contract Anniversary Date at a rate called the Interest Credit. It is determined by deducting the Index Spread from the Annual Index Growth, which is the average monthly percentage change in the S&P 500 Index since the prior Contract Anniversary Date. The Index Spread is declared in advance and is guaranteed for each Strategy Term. The Strategy Term is one year. It will never be more than the Maximum Guaranteed Annual Index Spread for this strategy, which is 7% per annum. No Participation Rate or Index Cap will be used with this Strategy. The Interest Credit will never be less than 0%.

### **III. Compliance with NAIC Standard Nonforfeiture Law for Individual Deferred Annuities (SNLIDA)**

#### **Section 3, Nonforfeiture Requirements**

There are four requirements under this section:

- Upon cessation of payment of considerations or upon request, the company shall grant a paid-up annuity benefit, which must comply with sections 5, 6, 7, 8 and 10 of the SNLIDA. Section 5 is the most applicable in this case and states that the present value of the paid-up annuity benefit on the date annuity payments are to commence is at least equal to the minimum nonforfeiture amount on that date.

#### Compliance

This contract is a single premium contract. The contract provides for a paid up annuity benefit of a minimum of 120 months and as long thereafter as the Annuitant lives (or other Annuity Income Option if elected) beginning on the Annuity Date. The payout is determined by applying the Contract Withdrawal Value on the Annuity Date to the factor associated with the Annuity Income Option elected. The Contract complies with this requirement since the present value of this benefit is always equal to or greater than the Minimum Nonforfeiture Amount.

- If a contract provides for a lump-sum settlement at maturity or any other time, upon surrender of the contract the company shall pay in lieu of a paid-up annuity benefit a cash surrender benefit that complies with sections 5, 6, 8 and 10 of the SNLIDA. Also, the company may reserve the right to defer payment of cash surrender benefits for a period not to exceed 6 months with the approval of the commissioner.

#### Compliance

The Contract Withdrawal Value may be paid in a lump sum and is always at least equal to the Minimum Nonforfeiture Amount. The contract does not allow deferral of payment of the Contract Withdrawal Value for a period longer than 6 months.

Section 5 is the same as stated in the prior bullet point above.

#### Compliance

As noted above, the paid-up annuity benefit offered by this contract is in compliance with section 5.

Section 6 states that the cash surrender benefits available prior to maturity shall not be less than the present value as of the date of surrender of that portion of the maturity value of the paid-up annuity benefit that would be provided under the contract at maturity arising from considerations paid prior to the time of cash surrender, reduced by the amount appropriate to reflect any prior partial surrenders of the contract, such present value being calculated on the basis of an interest rate

not more than 1% higher than the interest rate specified in the contract for accumulating net considerations. Also, in no event may the cash surrender benefit be less than the minimum nonforfeiture amount at that time. The death benefits must also be at least equal to the cash surrender benefit.

#### Compliance

Demonstration of compliance with the first part of section 6 noted above is shown in Appendix A using 10 years until maturity. Ten years is deemed to be the shortest period until maturity in Section 8. The contract also complies for all longer periods until maturity. Also, the Contract Withdrawal Value will never be less than the Minimum Nonforfeiture Amount and the death benefit will never be less than the Minimum Nonforfeiture Amount.

Section 8 refers to contracts where an election can be made to have annuity payments commence at optional maturity dates. It states that the maturity date shall be deemed to be that latest date for which election shall be permitted by the contract, but may not be later than the anniversary of the contract next following the annuitant's 70<sup>th</sup> birthday or the tenth anniversary of the contract, whichever is later.

#### Compliance

Prior to the Annuity Date of the contract, the Annuity Date may be changed with 30 days prior Notice. It may not be later than the Contract Anniversary following the Owner's or the oldest Joint Owner's 95<sup>th</sup> birthday. See Appendix A for demonstration of compliance.

- The SNLIDA requires a statement of the mortality table and interest rates used in calculating any minimum paid-up annuity cash surrender or death benefits that are guaranteed.

#### Compliance

The guaranteed interest rates used to determine the Minimum Guaranteed Contract Values are specified on the Contract Data Page. No mortality table is used prior to the Annuity Date. The annuity income purchase rate guarantees provided in the contract are stated in the Annuity Provisions section of the contract.

- The SNLIDA requires a statement that any paid-up annuity, cash surrender or death benefits that may be available under the contract are not less than the minimum benefits required by any statute of the state in which the contract is delivered and an explanation of the manner in which such benefits are altered by the existence of any additional amounts credited by the company to the contract, any indebtedness to the company on the contract or any partial surrenders of the contract.

#### Compliance

The required statement is found in the Reserves, Values and Benefits section of the Contract.

## **Section 4, Minimum Values**

According to the SNLIDA, the minimum values specified in sections 5, 6, 7, 8 and 10 of any paid-up annuity, cash surrender or death benefits shall be based on the amount defined in this section.

### **Subsection A**

The minimum nonforfeiture amounts, at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to such time at a rate of interest defined in Subsection B of the net consideration paid prior to such time, decreased by the sum of prior withdrawals accumulated at that same rate, an annual contract charge of \$50 accumulated at that same rate, any premium tax accumulated at that same rate and the amount of any indebtedness to the company on the contract.

The net consideration for the first contract year equals 87.5% of the single premium. The net consideration for future contract years is zero.

#### Compliance

Compliance with Section 4 of the SNLIDA is demonstrated in Appendix A.

The following assumptions have been made:

- No annual contract charges are included in the SNLIDA cash value
- Single premium equals \$10,000
- Premium-related taxes, fees or assessments imposed against the contract are ignored
- Compliance is demonstrated at both the minimum nonforfeiture rate of 1% and the maximum nonforfeiture rate of 3%

### **Subsection B**

The interest rate used in determining the minimum nonforfeiture amounts shall be the lesser of 3% per annum and the following:

- The 5-year Constant Maturity Treasury Rate reported by the Federal Reserve as of a date, or average over a period, rounded to the nearest 1/20<sup>th</sup> of one percent (5 basis points) specified in the contract no longer than 15 months prior to the contract issue date or redetermination date,
- Reduced by 125 basis points,
- Reduced by an additional 100 basis points as discussed in Subsection C,
- Where the resulting interest rate is not less than 1%, and
- The interest rate shall apply for an initial period and may be redetermined for additional periods.

#### Compliance

The interest rate used in determining the minimum nonforfeiture amounts for this contract, the Minimum Guaranteed Contract Value Interest Rate, will be reset for newly issued policies quarterly and be based on the 5-year Constant

Maturity Treasury rate. Once a policy is issued, the Minimum Guaranteed Contract Value Interest Rate is guaranteed for the life of the policy.

At the beginning of each calendar quarter, the daily average of the 5-year Constant Maturity Treasury from the prior quarter will be determined. This daily average will be rounded to the nearest 5 basis points. This result will then be reduced by 125 basis points. The rate is then subject to a minimum of 1.00% and a maximum of 3.00%.

If the resulting rate differs from that used in the prior quarter by at least 25 basis points, the Minimum Guaranteed Contract Value Interest Rate for issues in the quarter will be reset; otherwise the Minimum Guaranteed Contract Value Interest Rate will remain the same as was used in the prior quarter. However the rate for the first quarter of the calendar year will always be reset and will not be subject to the 25 basis point threshold.

Compliance with Subsection C is addressed below.

### **Subsection C**

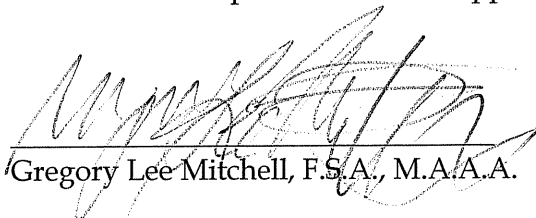
During the period or term that a contract provides substantive participation in any equity indexed benefit, it may change the 125 basis point reduction to 225 basis points to reflect the value of an equity index benefit.

#### Compliance

The interest rate used in determining the minimum nonforfeiture amounts for this contract is addressed in Compliance to Subsection B. There will be no reduction to the interest rate to reflect the value of an equity index benefit.

#### Actuarial Certification

I, Gregory Lee Mitchell, am responsible for evaluating compliance with the Standard Nonforfeiture Law for Individual Deferred Annuities and the Annuity Nonforfeiture Model Regulation on behalf of Forethought Life Insurance Company. I have reviewed this contract form and am familiar with the Nonforfeiture Laws and Regulations as they pertain to equity-indexed annuities. I have also reviewed the methodology that will be used in calculating and setting assumptions for the additional reduction in nonforfeiture rate for equity-indexed annuities. Based on my review, I certify that the methodology used for this contract form meets the minimum requirements of the applicable Nonforfeiture Laws and Regulations.

  
Gregory Lee Mitchell, F.S.A., M.A.A.A.

1/21/08  
Date

## **IV. Reserves**

Statutory reserves will be calculated in compliance with the Standard Valuation Law and are equal to those calculated under the Commissioners Annuity Reserve Valuation Method (CARVM) with guidance from Actuarial Guideline 33. Reserving is intended to be done under the CARVM-UMV Method, as specified in Actuarial Guideline 35.

The valuation will be performed using the "issue year" basis, "with cash settlement options," "with guarantees no longer than five years," and "without future interest rate guarantees." The valuation rates for the elective benefits of partial and full surrender and annuitization will be based on Plan Type C. To illustrate, a policy issued in calendar year 2007 would have a valuation rate of 4.50%. The valuation rates for the non-elective benefits such as death, terminal illness, and/or nursing home confinement, if applicable, will be based on Plan Type A. To illustrate, a policy issued in 2007 would have a valuation rate of 5.25%.

The valuation mortality basis used will be the Annuity 2000 Mortality Table.

## V. Hedging Strategy and Potential Risks

### General Information

Policyholder premiums will generally be invested in two types of assets. The majority of the premium will be used to purchase typical fixed income securities (bonds, mortgages, etc.). A smaller portion of the premium will be used to purchase over the counter (OTC) options to back the index based crediting strategy. The goal of the hedge strategy will be to reduce the product's equity exposure by purchasing an OTC option that nearly replicates the interest crediting.

To the extent necessary and/or prudent, alternative financial instruments like futures contracts, exchange traded options, exchange traded funds, and interest rate based instruments will be used to supplement OTC option purchases. An example of this might be the use of a futures contract to "bridge" a period of lower sales until a sufficient volume is reached to make an effective OTC trade. Another example might be a period of perceived over-charging by the OTC market.

The equity based exposure created by the indexed crediting methods will be monitored weekly relative to the OTC option portfolio. Mismatches due to lapses, withdrawals, annuitizations, and deaths will be rectified by unwinding options or reducing future option purchases. The monitoring methodology will include stress tests to confirm the effectiveness of the hedge portfolio relative to the liability.

### Financial Reporting of Options

Options purchased will be carried at market value in the annual statement general account. No separate account will be established for this product because the options purchased are hedging the equity exposure of a contract which does not require a separate account.

### Derivatives Trading Oversight

The Investment Committee will have primary responsibility for authorizing certain individuals to make derivatives trades for purposes of hedging this contract. Authorized individuals will have sufficient skill, knowledge, and experience in the field of derivatives trading and portfolio management. Authorized individuals will be the only ones allowed to initiate and approve derivative transactions.

### Counterparties

Option purchases in the OTC market carry a certain amount of counterparty risk. This risk will be managed in three ways. First, counterparties will have to go through an approval process which will assess the creditworthiness of each potential counterparty. Second, the approved counterparty list will be monitored to ensure continued evidence of financial health. Third, the option purchases will be prudently spread among counterparties to ensure that exposure to any one counterparty is not excessive. In certain situations, the lowest bid on the OTC option may not be chosen if the exposure to that counterparty is perceived as too high or approaching a threshold.



### Hedging Risks

Hedging is a process that faces a number of potential risks. Each of these risks will be managed as follows:

1. Liquidity Risk – Liquidity risk is characterized by the inability to generate cash as needed. To control this risk, high quality, liquid bonds will make up the majority of the asset portfolio. The hedging portfolio will consist of OTC options and exchange traded futures and options. The exchange traded instruments are highly liquid. The OTC options can easily be sold back to the dealer, sold to a third party, or can be “partially sold” through a reduction in notional.
2. Credit Risk – Risks associated with the credit worthiness of the counterparties will be managed as discussed in the Counterparties section.
3. Market Risk – Stochastic modeling of the entire product will be used to assess the market risk and to determine the optimal asset portfolio.
4. Pricing Risk – Pricing risk can involve a number of potential errors in setting assumptions. Experience studies and product monitoring will be used to adjust pricing assumptions and to set liability values.
5. Legal Risk – Properly executed ISDA agreements are the primary tool for controlling legal risk associated with OTC option sellers.
6. Operational Risk – Checks and Crosschecks will be utilized to ensure that operational risks are kept to a minimum. Administration system downloads will be used to validate liability information. Asset purchases and portfolio inventory will be monitored using account system downloads and the basis risk tool.
7. Basis Risk – Basis risk encompasses the mismatch between the hedging portfolio and the index crediting strategies. Mismatch can occur due to lapses, mortality, annuitizations, and partial withdrawals. Basis risk will be monitored frequently and will be stress tested with deterministic scenarios.

### Hedging Personnel

The following individuals will have primary responsibility for managing and monitoring the hedge strategy and other asset/liability issues.

Eric D. Todd, CFA

Chief Investment Officer and Risk Officer, Forethought Financial Group, Inc.

Dan Patterson, FSA, MAAA

Chief Actuary, Forethought Financial Group, Inc.

## VI. Risk-Based Capital

### C1 Reporting (Asset default risk)

The level of C1 RBC will be determined by multiplying the appropriate RBC factor by the value of the specific asset. The bond portfolio will use asset classes 1-6. The option portfolio will use the Miscellaneous Asset, Class 1 factor.

### C3 Reporting (Disintermediation risk)

The level of C3 RBC will be calculated by multiplying the statutory reserve by the appropriate C3 factor. The medium risk factor (currently 1.0%) will be used for the first six contract years while the withdrawal charges are 5.0% or higher and the high risk factor (currently 2.0%) will be used thereafter.

### C4 Reporting (Miscellaneous risk)

The level of C4 RBC will be calculated using the appropriate factor (currently 2%) multiplied by the first year premium.

Values shown above may change as RBC requirements change. The final RBC calculation is done at the aggregate company level and involves covariance offsets between blocks of inforce.

  
\_\_\_\_\_  
Gregory Lee Mitchell, F.S.A., M.A.A.A.

1/21/08  
Date

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April 17, 2008

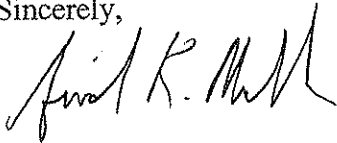
NAIC Company Code: 91642-1266

Re: Individual Annuity Forms

To: All State Insurance Departments

Forethought Life Insurance Company hereby authorizes Compliance Research Services, LLC to represent us in the submission of the above-referenced forms and to negotiate with insurance departments for their approval.

Sincerely,



David K. Mullen  
Senior Vice President and Assistant Secretary  
Forethought Life Insurance Company